

**HEALTH REPUBLIC INSURANCE COMPANY in LIQUIDATION ("HRI")**

Vendor Expenses on a Modified Cash Basis

Cumulative For The Period May 11, 2016 to September 30, 2017

**Modified Cash Basis Expenses (Note 1)**

Expense Category	Vendor	Description of Expense	January	February	March	April	May	June	July	August	September	Cumulative Since Date of Liquidation
<b>Administrative Expenses:</b>												
	Garden City Group	Mailings of court orders, phone center, web-site monitoring	12,518		21,718	10,401	11,479		20,074		13,728	780,094
	New York Liquidation Bureau	Salaries and Overhead	115,200	109,313	170,094	108,152	160,131	82,554	66,291	80,034	329,130	2,041,160
	Rackspace US, Inc.	Cloud storage	19,462	19,462	19,539	19,538	-	39,076	19,502	1,713		296,368
	DAZ	Oracle general ledger report writer services	-						-			15,169
	MegaPath	IT vendor that hosts data lines and phones	-						-			9,240
	Oracle	HRI General Ledger support	-						84,015			140,025
	North Shore-LIJ CareConnect	Final health insurance for HRI employees	-						-			8,022
	Various Bank Service Charges	Bank Accounts service charges	1,115						-			12,530
	Other Operating Expenses	Overnight mail, telephone, archiving, web-site fee	1,221	5,365	978		1,565	1,990	1,609	9,274	287	28,833
	IBM Corporation								18,500		11,005	29,505
		<b>Total Administrative Expenses</b>	<b>149,516</b>	<b>134,140</b>	<b>212,329</b>	<b>138,091</b>	<b>173,175</b>	<b>123,620</b>	<b>209,991</b>	<b>91,021</b>	<b>354,150</b>	<b>3,360,946</b>
<b>Consulting Expenses:</b>												
	Various Employees	HRI Employees Salaries including tax and processing fees	-						-			146,123
	Alvarez & Marsal	Consulting services rendered in the liquidation	-	60,069	61,712	55,466	16,112	17,856	-	142,989		1,958,309
	HRI Employees	HRI employees retained	38,235	25,612	26,024	26,175	12,788		-			193,464
	BDO Seidman	Collection and delivery of 2014 workpapers	-						-			6,000
	Actuarial Resources Corp. of Kansas	Rate review									16,000	16,000
	Risk & Performance Management	Vendor Invoice Review									1,750	1,750
		<b>Total Consulting Expenses</b>	<b>38,235</b>	<b>85,681</b>	<b>87,736</b>	<b>81,641</b>	<b>28,899</b>	<b>17,856</b>	<b>-</b>	<b>142,989</b>	<b>17,750</b>	<b>2,321,646</b>
<b>Legal Expenses:</b>												
	Finsbury	Legal support	-						-			11,145
	Dentons	Legal support	-						-			10,542
	Transperfect	Translation services for court documents	-	330					-			2,209
	Weil Gotshal	Legal support	-	139,305			358,586		-			1,248,687
	Clarick Gueron Reisbaum, LLP	Legal support				4,044		63,419	45,031	23,326	20,282	156,102
	Fox Rothschild LLC	Legal support								674		674
	Weiner Law Group, LLP	Legal support				728				1,013		1,741
		<b>Total Legal Expenses</b>	<b>-</b>	<b>139,635</b>	<b>-</b>	<b>-</b>	<b>363,358</b>	<b>63,419</b>	<b>45,031</b>	<b>25,013</b>	<b>20,282</b>	<b>1,431,100</b>
<b>Professional Fees:</b>												
	Pomco	Claims processing	363,636					147,664	22,200	3,450		1,809,676
	Eisner/Amper	Fees for 2015 and 2016 financial audit	46,945		45,650	38,735	135,000		25,000			716,374
	Truven Health Analytics,LLC	Claims audit	34,000		-	34,000	-		-	34,000		102,000
		<b>Total Professional Fees</b>	<b>444,581</b>	<b>-</b>	<b>45,650</b>	<b>72,735</b>	<b>135,000</b>	<b>147,664</b>	<b>47,200</b>	<b>37,450</b>	<b>-</b>	<b>2,628,050</b>
		<b>Grand Total Expenses May 11, 2016 to September 30, 2017</b>	<b>\$ 632,332</b>	<b>\$ 359,456</b>	<b>\$ 345,715</b>	<b>\$ 292,467</b>	<b>\$ 700,432</b>	<b>\$ 352,558</b>	<b>\$ 302,222</b>	<b>\$ 296,473</b>	<b>\$ 392,183</b>	<b>\$ 9,741,741</b>

NOTE 1: NYLB financial statements are prepared on a Modified Cash Basis. Expenses are recognized when paid rather than when the obligation is incurred.

NOTE 2: The January payment for POMCO is for the months of November, \$181,818 and December, \$181,818.

NOTE 3: The payment for Garden City Group is for the months of January \$13,447 and February \$8,271.

NOTE 4: The payment includes six invoices for the months of October 2016 - March 2017 and represents a final settlement of outstanding obligations to Weil Gotshal.

NOTE 5: The payment for Rackspace is for the months of May \$19,538 and June \$19,538.

NOTE 6: Represents a final settlement of outstanding obligations to POMCO.

NOTE 7: The payment is for the period November 2016 to July 2017.

NOTE 8: Represents a final settlement of outstanding obligations to Alvarez & Marsal.